

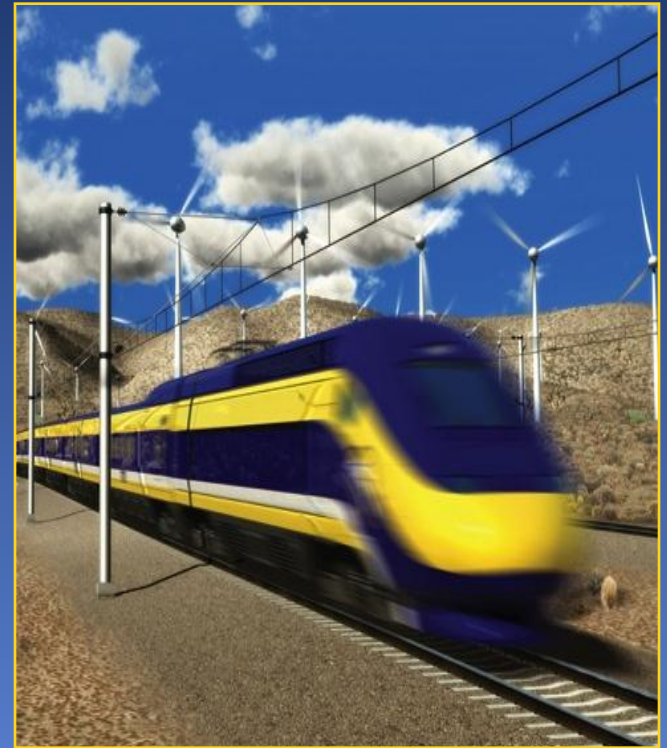


**SMALL AND DISADVANTAGED
BUSINESS ENTERPRISE PROGRAM
(INCLUSION OF 10% DBE GOAL)**

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
AUGUST 2, 2012

OVERVIEW

- Pursuant to the funding agreements between the Federal Railroad Administration and the Authority, the Authority developed a S/DBE Program to help ensure that small businesses, including DBEs, have an opportunity to bid on the rail contracts and participate in the project construction.
- The draft S/DBE Program Plan was presented to the Board and approved with an amendment to include a three (3) percent Disabled Veteran Business Enterprise (DVBE) goal within the overall 30 percent SB goal on April 19, 2012.
- The Authority presented the revised S/DBE Program with the three (3) percent DVBE goal language to the Board on May 2, 2012. During this time, the Board requested the Authority to research the possibility of including a 10 percent DBE goal within the 30 percent SB goal.




DBE GOAL

Title 49 Code of Federal Regulations (CFR) Part 26 § 26.41 authorizes State DOT as recipients of the Federal Highway Administration, Federal Transit Administration and Federal Aviation Administration funding, that, except to the extent the United States Secretary of Transportation determines otherwise, not less than 10 percent of the authorized funds are to be expended with DBEs.


This 10 percent goal is an aspirational goal at the national level, which the Secretary of Transportation uses as a tool in evaluating and monitoring DBEs' opportunities to participate in DOT-assisted contracts.

As other federally assisted transportation programs have implemented the 10 percent DBE goal, it would be prudent and within reason for the Authority to believe that 49 CFR Part 26.41 will become applicable to passenger rail programs.



BOARD REQUEST

The Authority recommends the Board take the following actions:

1. Approve the inclusion of a 10 percent Disadvantaged Business Enterprise (DBE) race-neutral goal within the overall 30 percent SB goal, as described in the S/DBE Program Plan; and
 2. Authorize the Authority's Chief Executive Officer to submit the revised S/DBE Program to the Federal Railroad Administration for its approval.
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QUESTIONS



Thank You.